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S E C R E T SECTION 01 OF 03 CAIRO 001349

NOFORN SIPDIS

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TAGS: <u>PREL PARM MASS IR IZ KPAL IS EG</u>
SUBJECT: GENERAL PETRAEUS' MEETING WITH EGIS CHIEF SOLIMAN

REF: A. CAIRO 1227 ¶B. CAIRO 746

Classified By: Ambassador Margaret Scobey per 1.4 (b) and (d).

11. Key Points:

-- (S/NF) During a June 29 meeting with CENTCOM Commander General Petraeus, Egyptian General Intelligence Service (EGIS) Chief Omar Soliman shared his views on Iraq, Iran, and ongoing efforts on Palestinian reconciliation.

- -- (S/NF) On Iraq, Soliman assessed that Arab leaders were taking a "new position" on supporting Iraqi Prime Minister Maliki following the Iranian elections and described Egypt's plans to increase cooperation with the Iraqi government.
- -- (S/NF) Soliman believed that the Iranian elections and Hezbollah's electoral defeat in Lebanon presented a "good opportunity" to reduce Iranian regional interference, including by improving Syria's relations with the Arab world.
- -- (S/NF) On Palestinian reconciliation, Soliman was pessimistic that an agreement would be reached, but promised that Egypt would "not give up" and would continue efforts to undermine Hamas, including by preventing money and guns from entering Gaza.

Iraq: Extending an Arab Hand -----

- 12. (S/NF) Soliman said Arab countries were looking for ways to support Prime Minister Maliki during this "crucial time for Iraq. General Petraeus thanked Egypt for supporting the Iraqi government, including by nominating a new Ambassador to Iraq (ref A) and encouraging other Arab countries to "hold
 out a hand in friendship." On President Mubarak's instructions, Soliman explained, Egypt plans to increase cooperation with Iraq on a wide variety of political, security, and economic issues.
- 13. (S/NF) Soliman assessed that Arab leaders were taking a "new position" on Iraq following the Iranian presidential elections. He believed that Iranian leaders would "change their attitude" towards neighboring countries and "supporting terrorism" abroad, and would focus instead on domestic issues. Iran cannot afford to "challenge the international community now," Soliman opined. The challenge, Soliman explained, was to "bring Iraq back to the Arab world" and foster support for Maliki. According to Soliman, President Mubarak told King Abdullah of Saudi Arabia "not to search for another man," but should instead accept Maliki as Iraq's leader and support him.

- 14. (S/NF) Soliman stressed that Egypt suffers from Iranian interference, through its Hezbollah and Hamas proxies, and its support for Egyptian groups like Jamaatt al-Islamiyya and the Muslim Brotherhood. Egypt will confront the Iranian threat, he continued, by closely monitoring Iranian agents in Hamas, the Muslim Brotherhood, and any Egyptian cells. Improving relations between Syria and the Arab world would also undermine Iran's regional influence. Soliman noted "a little change" in Syria's attitude on engaging with the Arab world, adding that King Abdullah of Saudi Arabia shared this view and planned to visit Damascus soon "to help change Syria's attitude."
- 15. (S/NF) Soliman anticipated that Hezbollah's recent defeat in the Lebanese parliamentary elections would force the group to "remain quiet for sometime" as they rebuild domestic support and counter the perception that Hezbollah is a "tool of outsiders." With Iran itself focusing on domestic issues, he continued, it was a "good time to make changes" in Lebanon and reduce Iran's influence. Egypt will support a Saad Hariri government and the Lebanese army, Soliman emphasized.
- 16. (S/NF) Soliman said that Iran heeded Egypt's warning against meddling in domestic affairs (ref B) and supporting groups like the Muslim Brotherhood. He received a "very positive message" from Iran's intelligence chief indicating that Iran would not interfere in Egypt. Egypt planned to "remain quiet inside Iran" for the time being, but would continue to recruit agents who "will do what we ask," if Iran insists on interfering in Egypt. "We hope Iran will stop

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supporting Hamas, the Muslim Brotherhood and other cells" within Egypt Soliman said, "but if not - we are ready." Soliman said Iranian President Ahmadinejad wanted to attend the Non-Aligned Movement (NAM) conference in Egypt July 11-16. If he did attend, President Mubarak would meet with him and clearly explain that Iranian interference in "Arab issues" was unacceptable. "We are ready for good relations with Iran," Soliman noted, but only if Iran ceased interfering and supporting terrorists in the region.

17. (S/NF) Because of domestic problems, Soliman believed that Iran would seek better relations with the Arab world and suspend its nuclear program for a period of time to avoid a "war." He also anticipated Iran would try to strike more of a "balance" between supporting its Hezbollah and Hamas "tools" and trying to build better relations with the Arabs. Soliman expressed concern that Iranian influence in Iraq would spread after the re-deployment of U.S. troops out of Iraqi cities and the eventual drawdown. General Petraeus noted that 130,000 U.S. troops remain and that the drawdown would be gradual. He expressed confidence that Iranian influence could be contained if Arab countries moved aggressively to support Iraq.

Palestinian Reconciliation, Israel

18. (S/NF) Soliman explained that Egypt's three primary objectives with the Palestinians were to maintain calm in Gaza, undermine Hamas, and build popular support for Palestinian President Mahmoud Abbas. On Gaza, Soliman said Egypt worked closely with Israel to coordinate humanitarian assistance shipments and was encouraging the Israelis to allow more assistance into Gaza. Soliman said he was still seeking a "tahdiya" (calm) agreement between Hamas and Israel, but noted that Israel's lack of a Gaza strategy and desire to keep Hamas under pressure made any agreement difficult. On undermining Hamas, Soliman said Egypt has "stopped" money and arms from entering Gaza. "Hamas feels they are losing their capabilities," Soliman said, as they are unable to re-arm using the tunneling network under the

Egypt-Gaza border. The pressure, especially from Egypt's success at dismantling Hamas' funding mechanism, may render Hamas "more flexible" than before.

- 19. (S/NF) Palestinians must believe that Abbas is capable of securing a Palestinian state, Soliman stressed. He noted recent positive developments in the West Bank, including improvements in the Palestinian security forces and the lifting of some Israeli roadblocks to facilitate commerce and movement. He expressed concern, however, that continued settlement activity, Israeli Prime Minister Netanyahu's recent "radical" speech, and insufficient economic development in Palestinian areas were undermining the chances for resuming peace negotiations. Soliman added that President Mubarak may invite Nentanyahu and Abbas to Cairo if efforts to re-start negotiations became "blocked."
- 110. (S/NF) Soliman briefed General Petraeus on his efforts to facilitate Palestinian reconciliation. Reconciliation remains elusive, he noted, as neither Hamas nor Fatah really want an agreement. The Palestinian factions were currently in Cairo, he said, for discussions on releasing detainees. Talks were at an impasse, however, as Hamas had suspended reconciliation talks until Abbas released all Hamas detainees in the West Bank, which Soliman said Abbas would never accept. Soliman also doubted that a reconciliation agreement would be reached by July 7 as Egypt previously announced, and anticipated that talks would be suspended for one-two months. Despite the challenge and frustrations, Soliman promised that Egypt would "not give up" on Palestinian reconciliation. "It is hard," he continued, "but I am always optimistic. I consider myself a patient man, but I am loosing patience."

Syria, Yemen, Afpak

111. (S/NF) Soliman hoped Syria would improve its relationship with the Arab world and the U.S. and stop serving as "Iran's lifeline" in the region. He also stressed that Syria must cooperate with Iraq to improve border security and stem the flow of foreign fighters. Soliman also called on Syria to drop its insistence that the Israeli-Palestinian conflict must be solved before Syria will reach an agreement with Israel on the Golan Heights.

12. (S/NF) Soliman expressed concern over instability in

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Yemen and said Egypt was trying to help President Saleh, including by providing information on Iranian and Qatari support to the al-Houthi insurgents. General Petraeus noted U.S. efforts to improve Yemen's capacity to combat extremists. On Pakistan, General Petraeus said he was encouraged by the Pakistani military's operations in the Swat Valley and Northwest Frontier Province, including their focus on holding and rebuilding effected areas. Soliman credited the Pakistani government for doing a better job of convincing people that extremists pose a real threat to Pakistani national security. On Afghanistan, General Petraeus stressed the importance of arresting the downward spiral of violence and improving governance after the September 20 national elections.

113. (U) General Petraeus cleared this cable. SCOBEY